

NEWS RELEASE

UNITED STATES ATTORNEY'S OFFICE
318 South Sixth Street
Springfield, IL 62701
Tel: 217/492-4450

RODGER A. HEATON
U.S. ATTORNEY
CENTRAL DISTRICT OF ILLINOIS



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Contact: Richard N. Cox
Assistant U.S. Attorney
(217) 373-5875

Former Champaign Attorney Pleads Guilty To Fraud Scheme; Embezzling More than \$600,000

Urbana, IL - A former Champaign, Illinois attorney pled guilty today to charges he embezzled more than \$600,000 from an Urbana healthcare provider, as announced by Rodger A. Heaton, United States Attorney for the Central District of Illinois. Sentencing for Gary L. Sudeth, age 58, formerly of 1214 Foothill Drive, Champaign, Illinois, has been scheduled on June 16, 2006.

During his appearance today before Chief U.S. District Judge Michael P. McCuskey in Urbana, Sudeth admitted to defrauding Health Alliance Medical Plans, Inc. In July 2000, Sudeth, who owned and operated a Champaign company known as Allegiance Services, Inc., entered into an agreement with Health Alliance to collect money from third parties who were liable for health costs initially paid by Health Alliance, such as insurance carriers. Under the agreement, Allegiance, was authorized to collect money on behalf of Health Alliance in return for a percentage of the recovered funds. Beginning in mid-2001 through the end of 2002, Sudeth admitted he received numerous checks on Health Alliance's behalf but failed to pay Health Alliance its share of the recovered funds.

In the negotiated plea agreement entered today, the government and the defendant agree that the total amount taken exceeded \$400,000, but was less than \$1,000,000. For restitution purposes, the parties agree that the amount was \$611,512. At sentencing, the defendant will be ordered to pay full restitution to the victim. The maximum statutory penalty for the offense is 20

years imprisonment; however, the actual sentence imposed will depend on a number of factors, including the advisory sentencing guideline range for the offense, which is 33-41 months of imprisonment.

The Federal Bureau of Investigation investigated the case which is being prosecuted by Assistant United States Attorney Richard N. Cox.

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